



CONGRESSIONAL BUDGET OFFICE PAY-AS-YOU-GO ESTIMATE

November 9, 2000

S. 2915 **Federal Courts Improvement Act of 2000**

As cleared by the Congress on October 27, 2000

S. 2915 would make numerous operational and administrative changes to the federal court system, including allowing the court districts in Alabama and North Carolina to assess quarterly fees on debtors in chapter 11 bankruptcy cases. CBO estimates that implementing S. 2915 would affect direct spending but that the net effect would be negligible for each year.

Section 201 would enable the court districts in Alabama and North Carolina to assess quarterly fees in chapter 11 cases. Currently, chapter 11 debtors in these districts are not subject to the quarterly filing fees that are levied on chapter 11 debtors in U.S. Trustee districts. According to the Administrative Office of the United States Courts and the U.S. Trustees, about 260 cases would be affected each year under this section, and the average quarterly fee for such cases is about \$1,000.

CBO estimates that enacting section 201 would generate about \$1 million per year in additional fees. These fees are available for spending on the operation and maintenance of the courts without further appropriation. Because the new fees would be mostly spent in the same year in which they are collected, CBO estimates that enacting this provision would have no significant net impact on direct spending each year.

Various other provisions of S. 2915 would result in increases in bankruptcy fees collected by the federal government and increases in insurance premium and retirement payments for certain Judicial employees, however, CBO estimates that these effects on direct spending would not be significant.

The CBO staff contact for this estimate is Lanette J. Walker. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director of Budget Analysis.